

Sue Ellen Jurcak, M.A., L.P.C., C.D.M.S., C.R.C.
Licensed Vocational Rehabilitation Counselor
Authored Master's Thesis on Closed Head Injury and Employability
Owner/President Unique Options, LLC & Medical Care Coordinators, Inc.
Board Member, Michigan Brain Injury Association
Mother of twin 14 year old boys who will start drivers training October 25, 2011

October 4, 2011

The Honorable State Representative Peter Lund, Committee Chair
Michigan House of Representatives Insurance Committee
374 Capitol Building
Lansing, MI 48909

RE: Opposition to House Bill 4936

Chairman Lund and Members of the House Insurance Committee:

Between 1978 and 2010, the Michigan Catastrophic Claims Association has paid out \$8,027,585,669. Currently, the MCCA has a positive account balance of \$11,436,319,669, giving it more money in reserves than it has paid out over the last 30 years. Last year the MCCA collected \$145 for each insured vehicle in Michigan, and of that, paid out an average of \$128 per vehicle, giving them a positive \$17 per vehicle more than they paid out.

There is no denying that the costs of auto no-fault insurance has gone up over the years, but please consider the following...

- Over the last 10 years, the cost for all reasonable and necessary lifetime medical care through the MCCA increased by 31%. During the same time, the cost nationally for health insurance increased 131%, and inflation increased 28%.
- Michigan is sixth in the nation with 19% of all driver uninsured. The other five states with higher uninsured driver statistics all have cheaper insurance rates than Michigan. Cheaper rates will not mean more insured drivers. Past performance is the best indicator of future actions.
- Approximately 12% of all Michigan residents do not have health insurance. This means once they exhaust all of their auto no-fault benefits, they have nothing to fall back on except the right to sue for their medical loss. This is an expensive and time consuming practice that often does not get people what they need in time. This leads to bankruptcies and foreclosures as medical expenses pile up while the courts decision drags on
- If a Michigan resident opts to enroll in the States new Health Insurance Plan (HIP) as a source of coordinated health insurance in case they become catastrophically injured in an automobile accident, this coverage will cost them \$172 - \$312 per month depending on their age, with residents 60 and older paying the highest amount. This is would cost an average of \$2,759 per year, compared to the \$145 dollars per year they pay to the MCCA.

The cost to provide care for catastrophically injured individuals will always be a reality. Injury victims and their families spend a lifetime coping, caring, and rehabilitating from the deficits and devastation now live with. Let's make sure that financial burden doesn't get added to this list. Protect auto no-fault and protect the future of Michigan.